

AN ORDINANCE 100161

RATIFYING THE SELECTION OF BARTON, SCHNEIDER & RUSSELL, L.L.P., TO PROVIDE LEGAL SERVICES IN CONNECTION WITH THE U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT (HUD) SECTION 108 LOAN FOR THE PURPOSE OF ASSISTING IN THE FUNDING OF THE REHABILITATION OF THE FRIEDRICH BUILDING, LOCATED AT 1617 E. COMMERCE, IN COUNCIL DISTRICT 2; RATIFYING THE EXECUTION OF AN ENGAGEMENT LETTER AGREEMENT WITH BARTON, SCHNEIDER & RUSSELL, L.L.P., FOR THE PERFORMANCE OF THESE SERVICES; AND AUTHORIZING PAYMENT TO BARTON, SCHNEIDER & RUSSELL, L.L.P., FOR SUCH SERVICES IN AN AMOUNT NOT TO EXCEED \$157,375.00.

WHEREAS, on or about July 1, 2004 the law firm of Barton, Schneider & Russell, L.L.P. was engaged to provide legal services on behalf of the City in connection with the U.S. Department of Housing & Urban Development (HUD) Section 108 Loan for the purpose of assisting in the funding of the rehabilitation of the Friedrich Building, located at 1617 E. Commerce, Council District 2 (the "Project"); and

WHEREAS, the legal assistance pertains to expertise in the legal documents required for the proposed HUD 108 Loan, and various other legal documents that are applicable to the financing structure that is being contemplated; and

WHEREAS, the proposed HUD 108 Loan amount for the Project shall not exceed \$9,000,000.00; and

WHEREAS, principal and interest payments for the HUD 108 Loan are to be paid by revenues generated by the Project, and in the event of any shortfalls, the City's annual HUD allocation may be reduced by the shortfall amount; and

WHEREAS, if HUD approves the loan, funding could be available by the summer of 2005; and

WHEREAS, as a result of the complexity of the funding transaction of the Project, the City Attorney selected the firm of Barton, Schneider & Russell, L.L.P. to assist staff with the negotiations and creation of all the necessary legal documents to effectuate the transaction; and

WHEREAS, it is the City's intention to utilize the HUD 108 Loan proceeds to pay the City's legal fees related to the Project and to reimburse itself from HUD 108 Loan proceeds for any City funds expended prior to the receipt of the HUD 108 Loan proceeds; and

WHEREAS, the City Attorney recommends the selection of Barton, Schneider & Russell, L.L.P. based on the firm's experience in real estate law and commercial loan transaction work;
NOW THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The selection of Barton, Schneider & Russell, L.L.P, to provide legal services in connection with the U.S. Department of Housing & Urban Development (HUD) Section 108 Loan for the purpose of assisting in the funding of the rehabilitation of the Friedrich Building, located at 1617 E. Commerce, in Council District 2 is hereby ratified. The execution of an engagement letter agreement with Barton, Schneider & Russell, L.L.P., for the performance of these services in an amount not to exceed \$157,375.00 is hereby ratified.

SECTION 2. The sum of \$39,500.00 for Phase 1 of this engagement will be partially funded from the 28th Year Community Development Block Grant (CDBG) funds, Internal Order No. 131000001029, GL Account No. 5201040 in the amount of \$19,000.00. The remaining \$20,500.00 will be paid from money in SAP General Fund No. 11001000, Cost Center 8002060001, GL Account No. 5201040 entitled "Third Party Review Funds."

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director may, subject to concurrence by the Interim City Manager or the Interim City Manager's designee, correct allocations to specific SAP Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 4. This ordinance shall be effective on and after the 26th day of December, 2004.


PASSED AND APPROVED this 16th day of December, 2004.


M A Y O R
EDWARD D. GARZA

ATTEST:


City Clerk

APPROVED AS TO FORM


City Attorney